

EXECUTIVE DIRECTOR'S MONTHLY REPORT

JUNE 2004

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- Caltrans is currently performing a review of our accounting system as part of the approval process of the FY 04-05 ICAP. The review took place over two weeks commencing May 3rd. The review is generally complete. During the exit interview the auditor provided a positive assessment of the progress we have made since the last audit, noting several improvements in documentation, internal control, match documentation and adherence to procedures, both internal and external. She stated that she expected approval of our FY 04-05 ICAP plan in June.
- A review of our computer system was completed during May and will be considered by the management team for action starting next fiscal year.

II. Provide support to the Regional Council in providing direction and Leadership to SCAG

- I and Don Rhodes met with Assemblymember Jenny Oropeza, Assemblymember Mark Ridley-Thomas, Robert Oakes from Senator Tom Torlakson 's office, and Senator Dennis Hollingsworth on the development of a bill to enable regional agencies to issue revenue bonds for transportation projects.
- On May 7th I attended a luncheon with Congresswoman Juanita Millender-McDonald and Jim Oberstar on the Queen Mary and discussed provisions that SCAG would be pursuing in the upcoming Federal Transportation Reauthorization Conference Committee.
- On May 10th-12th I and a team from Goldman Sachs, Mecator Advisors and our Washington representative went to Washington and attended various meetings on the Tax Credit Bond that we are asking Congressman Thomas to introduce into the Conference Committee for either the Transportation Conference or the International Tax Conference.
- On May 14th President Ron Roberts, Bev Perry and I met with Frank Colonna, Councilman of Long Beach and John Doherty, CEO of the Alameda Corridor Transportation Authority (ACTA) to follow-up on the role of ACTA in implementing Goods Movement in the Alameda Corridor and the region.
- On May 18th I attended a Bi-Partisan Meeting co-hosted by Senator Tom Torlakson and Senator Bruce McPherson to follow-up on the CFEE (California Foundation for the Economy and the Environment) Transportation Infrastructure Conference held on February 5-6. The meeting included Senators Torlakson, McPherson, Soto, Hollingsworth, and Speier.
- On May 20th I and Ed Edelman met with Councilmember Cindy Miscikowski regarding the LAX Master



Plan, EIR and the aviation policies of the RTP. I had a similar meeting with Mayor Kelly of El Segundo on May 25th.

- On May 21st I attended the California Legislative Black Caucus Budget Hearing and testified on the transportation cuts in the Governor's Budget and impact on our community.
- On May 26th I and Hasan Ikhata attended the first meeting of the Caltrans Performance Measure Team. The purpose of the team is to develop Transportation Performance similar to those we use to be applied statewide.
- On May 26th I visited with several Assemblymembers and Senate members regarding the State budget CAP financing options.
- On May 27th I gave a presentation on Truckway portion of the RTP before the Highway Policy Committee of the California Trucking Association to obtain their support for the Regional Authority Financing Legislation – particularly for Truckways.

III. SCAG Operations

- New ISD Work Request System. Staff completed the Information Services Department's (ISD) work request system for the agency. The new ISD has added many features to increase the efficiency of work request handling.
- Assistant Planner Recruitment and Selection. On May 17th, Sarah Adams started as a new Assistant Planner in the Policy and Planning Department.
- Succession Plan. The Human Resources Department will present the succession plan at the Retreat. The plan provides for interim replacements for incumbent Executive Management, opportunities to develop internal candidates so they are competitive for future vacancies, specific rotational and/developmental assignments to address the technical, administrative and leadership needs of the organization.
- Training. Human Resources coordinated mandatory training sessions on Project Management, Contract Management, and Financial Management. Modeling and GIS staff also provided training to staff in a variety of areas.
- Employee Performance Review Process. A new performance agreement form was developed that relates better to the Executive Directors Agreement and the Performance Evaluation Form. Evaluations for all employees were begun and will be finished in June.

IV. Implement Adopted Regional Plans

- California High Speed Rail Comments. SCAG's comments on the California High Speed Rail Draft Programmatic EIS/EIR will be discussed at the TCC meeting on June 3, 2004. Deadline to submit comments is August 31, 2004.
- Regional Transportation Improvement Program. Staff is preparing the Draft 2004 Regional

Transportation Improvement Program which is scheduled for release on June 18, 2004. The analyses are nearing completion and is scheduled to be presented to the Directors at their meeting of May 25th.

- Programming of Congestion Mitigation Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funds at apportionment levels remains an issue. The issue is that the Federal Highway Administration has stated a region may not program (as in previous years) carryover CMAQ and RSTP apportionment funds in subsequent years of the Regional Transportation Improvement Program (RTIP). In order to obtain federal TIP approval by the state and federal funding agencies the commissions have adjusted their county TIPs and programmed within yearly apportionment levels. Therefore, the Draft 2004 RTIP has met this test of financial constraint. SCAG and the commissions/IVAG will continue to pursue the carryover issue with Caltrans.
- LA City Council Transportation Committee Meeting. On Wednesday, May 12, 2004, the LA City Council Transportation Committee was updated by LADOT on the status of negotiations with SCAG on the Maglev Deployment Program. At this meeting, the committee members requested SCAG to send a letter to the FRA requesting a change in the scope of work of the Maglev grant to allow the EIS alternatives analysis to be conducted at an earlier time in the process. This portion of the EIS analysis will consist of a comparison between conventional high-speed rail and Maglev. On Monday, May 24, 2004, SCAG received approval from the FRA to modify the current scope of work. We are now working on necessary revisions to include in this analysis.

V. Develop Additional Planning Efforts

- Program Environmental Impact Report. The deadline for any legal challenge of the RTPs Environmental document has passed without any challenges being received. In addition, the 2004 RTP PEIR Mitigation Monitoring and Reporting Program (MMRP) is being fully integrated into SCAG's Intergovernmental Review Process to provide a menu of generally feasible options to help mitigate environmental impacts. We will promote the use of the Program EIR by others.
- Water. SCAG submitted the first of several reports to the Caltrans Storm Water Program detailing the relationship between watersheds in the region (defined by hydrological boundaries) and local government jurisdictions. Other reports will follow on water quality and storm water issues.
- Regional Housing Summit. The Regional Housing Summit was held on Friday, May 21, 2004. This year's event was marked by a report that the region had the sharpest run up in home prices of any market area in the nation during the first quarter of 2004, and that home affordability levels had sunk to new lows.

The Summit program took a close look at what the region can do to promote infill housing and smarter suburban development and how it can address the real housing affordability and production challenges facing cities and counties. The program received many positive reviews and attendance was very high with over 200 persons registering (the majority done on-line for the first time). Also, this year's housing summit had great press coverage e.g. State Housing Crisis Tough to Solve see the following link: <http://www.whittierdailynews.com/cda/article/print/0,1674,207%257E12041%257E2164181,00.html> . The program's success was a collaborative effort within SCAG. Several partnerships were formed with

outside agencies to promote the event including event funding via 1st - time partnerships with Fannie Mae and the Federal Home Loan Bank of San Francisco.

- Forecasting. Completed 2004 RTP SED at various geographic levels and turned over to Data Division for release.

Started work with modeling and data Divisions on the 2003 SED for model validation and improvement. This will be the major work to be completed during the next several months.

- Conformity. At the meeting of the Transportation Conformity Working Group on May 14, the federal agencies indicated that they anticipate finalizing their review of the 2004 RTP (except for Ventura County and the Southeast Desert) and being able to issue their final action on the Plan before June 8, 2004. This is the date the conformity for the 2001 RTP expires.

As we have indicated previously, we anticipate that Ventura and the Southeast Desert will be out of conformity for a short period of time. In compliance with Federal regulations, FHWA/FTA sent a letter to the Governor on May 11 informing him of the brief conformity lapse expected in those two portions of the region. The air quality districts in Ventura County and the Southeast Desert submitted their Ozone State Implementation Plans to EPA in April. On May 28, 2004, EPA published its adequacy finding for the emissions budgets for Ventura and the Southeast Desert in the Federal Register. The effective date is June 14, 2004. Upon that effective date, I will issue SCAG's conformity finding under the authority given to me by the Regional Council and immediately will transmit the related conformity findings to the federal agencies for their final action.

- Intergovernmental Review. Staff has received the Draft Environmental Impact Statement/ Draft Environmental Impact Report (EIS/EIR) for the Gold Line Phase II: Pasadena to Montclair, Foothill Extension and public comments are due June 21. Staff also received the Final EIR for the Los Angeles International Airport Master Plan.
- May 27, 2004 Joint SCAG SANDAG Meeting. President Ron Roberts, 1st Vice President Toni Young and RC members Thomas Buckley, Judy Mikels and Jo Shields attended the May 27, 2004 Joint SCAG SANDAG Information Sharing meeting. This is our third meeting since April 2003. The agenda included presentations on rail passenger ridership, I-15 and SR-91 Interregional Partnerships, SCAG's Aviation Strategy, both agencies perspective on the Regional Housing Needs Assessment (RHNA)
 - SANDAG acknowledged that their RHNA plan currently assumes that Riverside County and Imperial County will help to meet their housing need. SANDAG reported that the State of California is asking for them to plan for 19,000 more housing units than included in their forecast. SANDAG staff also noted that through the year 2030 their housing need assumes 65,000 units are located outside of San Diego County. Both SCAG and SANDAG reported similar issues with the State in regard to vacancy rates in developing housing need numbers.

The next Joint SCAG SANDAG meeting is scheduled for November 2004 after the elections.

VI. Data

- American Community Survey. SCAG was invited to participate in a pilot study dealing with the creation

of sub-county geographies for the Census Bureau's American Community Survey (ACS). The ACS is an annual survey of households to compile socioeconomic data more frequently than the decennial census. The ACS will also replace the long form questionnaire that is part of the census every ten years.

SCAG plays two major roles in participating in the ACS pilot study. SCAG's participation ensures that our agency can advocate the adoption of sub-county geographies consistent with our regional planning needs, e.g., Census tracts and subregions. In addition, SCAG will also be part of the Executive Committee to take a leadership role in the study.

- Regional Data Sharing Steering Committee Meeting. On May 5th, SCAG staff hosted a Steering Committee meeting to prepare for the Regional Data & Information Sharing Facilitation Workshop: Focus On Homeland Security. Security experts of various government agencies, academia, and the private sector from the region attended this meeting. The purpose of this meeting was to discuss a regional approach to data and information sharing in the context of homeland security.

VII. Implement the Legislative Program

- Governor's May Revision. On May 14th, Governor Schwarzenegger released his May Budget Revision which included both good news and troubling news for transportation stakeholders. To stimulate job creation and economic recovery, the Governor withdrew several Mid-Year and Budget proposals that would have reallocated much-needed transportation funds to the General Fund. The May Revision also withdraws the suspension of the Traffic Congestion Relief Program and instead converts the suspension into a loan, which permits county transportation commissions to program projects against those amounts.

Although the short-term budget situation was improved by the May Revision, problems remain. The Governor proposes to repay the TCRF with proceeds from Indian gaming fees recovered in negotiations with the Indian tribes. Because the results of those negotiations are unpredictable, the long-term funding situation for both the TCRP and other transportation programs funded by Proposition 42 revenues remains precarious. It is important that in this budget cycle, the Legislature should support creating a firewall around Prop 42 funds. Transportation relies on a stable source of funding in the long run, and SCAG will advocate on its behalf.

- TEA-21 Reauthorization. Congress has passed an extension to continue TEA-21 through June 30th. Progress in passing a reauthorization has been hampered by the lack of agreement about the appropriate level of funding for the six-year surface transportation program, with the dollar difference between the Administration, Senate and House in the tens of billions. Both houses of Congress have passed their proposals. The following have been named as Senate appointed conferees for the Conference Committee, where the bills will be reconciled: Inhofe; Warner; Bond; Voinovich; Grassley; Hatch; Nickles; Lott; Shelby; McCain; McConnell; Jeffords; Reid; Graham FL; Lieberman; Boxer; Daschle; Hollings; Sarbanes; Baucus; Conrad. The reauthorization may be extended again through the election season. SCAG and transportation advocates continue to stress the time-sensitive nature of enacting a surface transportation, and I will continue to alert you to our progress.